



DMI FINANCE

WHISTLE BLOWING / VIGIL MECHANISM POLICY
OF
DMI FINANCE PRIVATE LIMITED

Summary of Policy

Policy Name	Whistle Blowing /Vigil Mechanism Policy (“ Policy ”)
Issue and Effective date	May 06, 2014
Periodicity of Review	Annual
Owner / Contact	Compliance Department
Approver	Board of Directors

Date of Review	Date of Next Review	Comments/Remarks/Changes
September 3, 2021	On or before September 2022	Annual Review
May 20, 2022	On or before May 2023	General alignment with regulatory provisions/laws and business of the Company
May 22, 2023	On or before May 2024	Annual Review

i. **PREAMBLE:**

In accordance with the provisions of section 177(9) of the Companies Act, 2013 read along rule 7 of the Companies (Meeting of Board and its Power) Rules, 2014, every company which have borrowed money from banks and public financial institutions exceeding INR 50.0 Crores (Rupees Fifty crores) shall establish a vigil mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior or improper practices or violation of company's code of conduct.

In compliance with the aforesaid requirement, DMI Finance Private Limited ("**the Company**" or "**DMI**") established a vigil mechanism for their directors and employees to encourage employees to bring ethical and legal violations they are aware of to an internal authority so that action can be taken immediately to resolve the problem and accordingly, formulated the Whistle Blowing/Vigil Mechanism Policy ("**Policy**").

ii. **PURPOSE:**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct in the business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct/ ethical and legal violations to come forward and express these concerns without fear of punishment or unfair treatment. A Whistle Blowing/Vigil Mechanism Policy provides a channel to the employees and directors to report to the management concerns about unethical behavior or improper practices or violation of Company's code of conduct or ethics policy.

The purpose of this policy is to provide a framework to promote responsible, safe and secure whistle blowing, with an aim to curb and stop all activities which are against organizational interests.

The vigil mechanism will:

- provide adequate safeguards against victimization of employees and directors who avail of the vigil mechanism;
- provide direct access to the Chairperson of the Audit Committee; and
- In case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand.

iii. **DEFINITIONS:**

- a) "**Audit Committee or Committee**" means the committee duly constituted of by the Board of Directors of the Company as per RBI Master Directions and perform such powers, functions and duties as laid down under Section 177 of the Companies Act, 2013.
- b) "**Board**" means the Board of Directors of the Company.
- c) "**Protected Disclosure**" means a communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity including but not limited to the following and it should be factual and not speculative in nature.
 - i. Breach of the DMI's Code of Conduct, its internal policies and procedures of the Company;
 - ii. Misuse/abuse of official position/authority of the Company.

- iii. Corruption and/or Bribery;
 - iv. Breach of Business Integrity and Ethics;
 - v. Manipulation of Company data/records;
 - vi. Breach of terms and conditions of employment and rules thereof;
 - vii. Financial irregularities, including fraud, or suspected fraud;
 - viii. Deliberate violation of laws/regulations, miscarriages of justice and criminal activity;
 - ix. Gross Negligence or Wilful Misconduct causing substantial and specific danger to health, safety and environment of the Company;
 - x. Pilferage of confidential/propriety information;
 - xi. Instances of leak of Unpublished Price Sensitive Information;
 - xii. Gross Wastage/misappropriation of Company funds/assets; and
 - xiii. Any other act/matter which affects the interest of the Company adversely and has potential to cause financial and reputational loss to the Company.
- d) **“RBI Master Directions”** means Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking dated September 01, 2016 issued by Reserve Bank of India (as amended from time to time).
- e) **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

iv. APPLICABILITY OF THE POLICY:

All employees, Board of Directors of the Company, consultants, contractors, interns, trainees, or any other third party acting on behalf of the DMI or performs any services for or on behalf of the DMI are covered under this Policy.

v. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

- a. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised.
- b. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blowing Policy”. Alternatively, the same can also be sent through email with the subject.
- c. The Protected Disclosure may also be reported through third-party ethics helpline number available on the employee portal.
- d. All Protected Disclosures may be addressed to the Ethics Committee of the Company. The contact details of the Committee members along with their mail id is available in the Code of Conduct of the company.
- e. In exceptional cases, the Protected Disclosures may be addressed to the Chairman of last meeting of the Audit Committee.
- f. The Company shall not entertain anonymous/ pseudonymous disclosures.
- g. The email id, to contact Chairman of the last meeting of the Audit Committee is as under:

Address	Audit Committee Chairman Express Building, Third Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi - 110002, India.
Email:	reportsac@dmifinance.in

h. On receipt of complaint/Protected disclosure, the Ethics Committee or to the Chairman of the last meeting of the Audit Committee, as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

i. On receipt of the protected disclosure the Ethics Committee/ Chairman of last meeting of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he/she was the person who made the protected disclosure or not.

The record shall include:

- Brief facts;
- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- Whether the same Protected Disclosure was raised previously on the same subject;
- Details of actions taken by Ethics Committee/ Joint Managing Directors / Chairman of Audit Committee for processing the Complaint.

vi. INVESTIGATION PROCEDURE:

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Committee.
- b) The subject shall be provided an opportunity to refute the allegation(s) / prove their innocence / offer mitigating factors.
- c) The decision to conduct an investigation taken into a Protected Disclosure by itself is not an acceptance of the accusation by the Authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.
- d) The identity of a whistleblower will be kept confidential to the extent possible given the legitimate needs of the investigation.
- e) The employee having any conflict of interest with the matter shall disclose his/her concern/ interest forthwith and shall not deal with the matter.
- f) Subjects shall have a duty to co-operate with the Ethics Committee/Audit Committee during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- g) Subjects have a right to be informed of the outcome of the investigation.
- h) The Ethics Committee shall normally complete the investigation within 30 days of the receipt of protected disclosure.

vii. PROTECTION:

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this Policy.

The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure.

The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

viii. DECISION:

If an investigation leads the Ethics Committee/Chairman of Audit Committee Chairman to conclude that an improper or unethical act has been committed, the Ethics Committee/ Chairman of Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as may deem fit depending upon the nature and seriousness of non-compliant behavior.

The employee who makes false allegations of unethical & improper practices or about alleged wrongful conduct shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

ix. REPORTING:

The Ethics Committee shall submit a report to the Audit Committee on an annual basis about all Protected Disclosures including the results of investigations, if any.

x. REVIEW OF THE POLICY:

The Policy shall be amended or modified with approval of the Board. The Policy shall be reviewed by the Board on an annual basis. Consequent upon any amendments in RBI Master Directions or Companies Act, 2013 or any change in the position of the Company, necessary changes in this Policy shall be incorporated and approved by the Board.

The invalidity or unenforceability of any provisions of the Policy shall not affect the validity or enforceability of any other provision. Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy.
